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BEFORE THE ARIZONA CORPORATION COMMISSION

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SUSAN BITTER SMITH, Chairman  
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IN THE MATTER OF THE APPLICATION OF  
GRAHAM COUNTY ELECTRIC  
COOPERATIVE, INC. APPLICATION FOR  
APPROVAL OF ITS 2014 RENEWABLE  
ENERGY STANDARD TARIFF AND  
IMPLEMENTATION PLAN

DOCKET NO. E-01749A-13-0217

COMPLIANCE - 2014 ANNUAL  
REST REPORT

Graham County Electric Cooperative, Inc. ("GCEC") hereby submits its annual REST compliance report for the calendar year 2014 pursuant to A.A.C. R14-2-1812.

RESPECTFULLY SUBMITTED this 6th day of November 2015

Graham County Electric Cooperative, Inc.

*Than W Ashby*

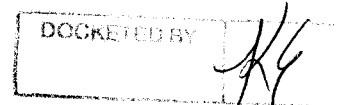
By  
Than Ashby  
Graham County Electric Cooperative, Inc.

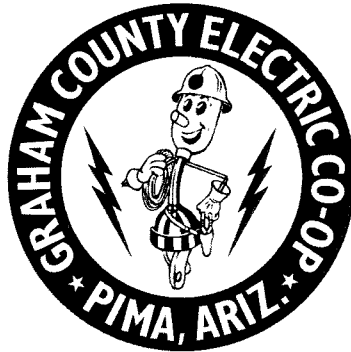
**Original** and thirteen (13) copies filed this  
6th day of November, 2015, with:

Docket Control  
Arizona Corporation Commission  
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Phoenix, AZ 85007

Arizona Corporation Commission  
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NOV 06 2015





**Renewable Energy Standard and Tariff  
Compliance Report  
Compliance Year 2014**

**Submitted November 6, 2015**

**Graham County Electric Cooperative, Inc.  
Renewable Energy Standard and Tariff  
Compliance Report  
Compliance Year 2014**

**INTRODUCTION**

Pursuant to A.A.C. R14-2-1812, Graham County Electric Cooperative, Inc. ("GCEC") submits this compliance report for calendar year 2014. This report relates to GCEC's 2014 Renewable Energy Standard and Tariff Plan ("REST Plan"), approved by the Arizona Corporation Commission (the "Commission") in Decision No. 74160 dated November 25, 2013.

**EXECUTIVE SUMMARY**

The REST Plan uses surcharge dollars from GCEC's Commission-approved retail tariffs to support programs for developing renewable facilities, purchasing renewable energy and participation in large-scale renewable generation projects. Funds may also be used for administration, advertising and educational activities.

The REST Plan for 2014 was approved pursuant to R14-2-1814. R14-2-1814 provides that, upon Commission approval of GCEC's REST Plan, its provisions substitute for the Annual Renewable Energy and Distributed Renewable Energy requirements of Rules 1804 and 1805, respectively.

**2014 INSTALLATIONS AND ENERGY GENERATED**

In 2014, 10 new Photovoltaic ("PV") systems were installed in GCEC's service area. Of these new systems, all of them were on-grid for a total installed capacity of 128.1 kW. Additionally, of these new systems, all 15 are distributed generation (9 residential and 1 commercial).

These additions bring the total number of incentivized renewable generation installations in GCEC's service area by the end of 2014 to 158. This includes 151 PV installations (35 off-grid, 116 on-grid) with a total installed capacity of 981.509 kW, 6 wind installations with a total capacity of 34 kW and 1 solar water heating installation expected to save approximately 1,163 kWh per year. In 2010 as part of a REC allocation settlement with other electric Cooperatives, GCEC relinquished the rights to annual REC's in the amount of 555,780 kWh. The total renewable energy generated in 2014 for which GCEC can claim credit is 2,494 MWh.

**2014 REQUIRED REPORTING INFORMATION**

The ACC requested that the Electric Utilities develop a standard REST reporting format. GCEC submits the following tables to meet this requirement (see attached tables).

Table 1a – Renewable Resources  
Table 1b – Compliance Summary  
Table 2b – RES Cash Incentive Costs

The following tables were not included because they are not applicable to GCEC's REST program

Table 2a - RES Resource Costs  
Implementation Plan Table 1 – Targeted Resources  
Implementation Plan Table 2 – Targeted RES Resources Costs

### **Financial Summary**

REST Surcharge Funds Collected	\$236,682.57
Rollover Funds From 2013	<u>\$62,897.95</u>
Total Funds Available for 2014	<u>\$299,580.52</u>

#### **Expenses**

Incentives Paid (UFI)	\$145,560.87
Incentives Paid to WGH (PBI)	\$8,504.97
Administration	\$30,707.18
AZ Goes Solar Website	\$41.52

Total Expenses	<u>\$184,814.54</u>
Balance <sup>1</sup> Rollover to the 2015 REST Program	<u>\$114,765.98</u>

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<sup>1</sup> Balance includes \$2,450 of incentives that were given approval in 2014 but had not yet completed their projects.

## Compliance Report - Energy

Table 1a - Renewable Resources

Resource	Technology	Ownership	MWac <sup>1</sup>	MWdc <sup>1</sup>	Production (Actual)	Production + (Annualized) <sup>2</sup>	Multiplier Credits	Total MWh or Equivalent
<b>GENERATION:</b>								
	n/a							
<b>Subtotal Generation</b>								
Gross Total (if needed)								(A)
Adjustments (if needed)								
<b>DISTRIBUTED ENERGY (DE):</b>								
Residential:	PV	Customer	0.834		1,826			1,826
	SWH	Customer	0.001		1			1
	Wind	Customer	0.034		74			74
Gross Total (if needed)								1,902
Adjustments (if needed) <sup>3</sup>								(556)
<b>Subtotal Residential</b>								
Non-Residential:	PV	Customer	0.094		207			207
	PV	GCEC	0.055		120			120
	SWH	Customer	-		-			-
	Wind	Customer	-		-			-
	Geothermal	Customer	0.375		821			821
Gross Total (if needed)								1,148
Adjustments (if needed)								
<b>Subtotal Non-Residential</b>								
<b>Subtotal Distributed Energy (B + C)</b>								
<b>Total RES Resources (A + D)</b>								
<b>Total MWac equivalent<sup>4</sup></b>								
<b>Subtotal Distributed Energy (B + C)</b>								
<b>Total RES Resources (A + D)</b>								
<b>Total MWac equivalent<sup>4</sup></b>								

Notes to Table 1:

<sup>1</sup> Generation capacity is generally reported in MWac and DE is generally reported in MWdc.<sup>2</sup> Assumes 2,190 kWh per installed kW for non-metered or current year installed residential PV systems, and 2,190 kWh per installed kW for similar non-residential systems.<sup>3</sup> In 2010 GCEC agreed to relinquish the rights to annual REC's in the amount of 555,780 kWh as part of a REC allocation settlement with other electric Cooperatives.<sup>4</sup> Represents the total RES portfolio capacity in MWac. Assumes a 90% dc-ac conversion factor applied to MWdc capacity.

## Compliance Report - Energy

Table 1b - Compliance Summary

Category	Metric	%	Compliance Measure (MWh)	RES Resources (MWh or Equivalent)	
Retail Sales			6,907	6,907	(F)
Prior year carrying balance <sup>1</sup>		4.5%		-	(E)
2014 Total RES Resources [From (E) in Table 1a]					
2014 Total RES Requirement	% of Retail Sales	N/A			(G)
DE Requirement	% of RES Requirement	N/A			(H)
DE Sub-Requirements:					(I)
Residential DE	% of DE Requirement	N/A			(J)
Non-Residential DE	% of DE Requirement	N/A			
Non-DE Target	% of RES Requirement	N/A			
Resources Used for 2014 Compliance ( G + H + I )					
				-	(J)
End 2014 carrying balance ( F + E - J )					
				2,494	(K)

## Notes to Table 1b:

<sup>1</sup>The RES-eligible resource carrying balance is accounted for using FIFO methodology, wherein the entire carrying balance is applied to the RES requirement and the year-end carrying balance consists of current year remaining resources.

**Table 2b - RES Cash Incentive Costs****2014 Distributed Energy Cash Incentive Program Costs**

2014 Distributed Energy Customer Incentive Program Costs						
		Up-Front Incentives			2014 Total Incentives Paid (\$)**	
		MW	MWh	(\$/MW) <sup>1</sup>	(\$/MWh) <sup>1</sup>	
Residential:	PV	0.098	215	539,836	247	52,947
	Subtotal: Residential	0.098	215	539,836	247	52,947
		Up-Front Incentives			Production-Based Incentives	
		MW	MWh	(\$/MW) <sup>1</sup>	(\$/MWh) <sup>1</sup>	(\$/MWh)
Non-Residential:	PV	0.030	66	3,087,125	1,410	
	Geothermal	0.375	821			22,683
						10
Subtotal: Non-Residential		0.405	887	3,087,125	1,410	22,683
						10
Total DE Incentive Costs						154,066

Notes to Table:

<sup>1</sup>Based on expected annual system production.<sup>\*\*</sup> Incentives include funds that were reserved in the previous year but paid out in 2014